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**2013 MEF NEGOTIATIONS
CITY PACKAGE PROPOSAL B***

TERM

One Year Term

WAGES

2% General Wage Increase

HIGHER CLASS PAY

See Attached (City Proposal #4)

DISABILITY LEAVE SUPPLEMENT

As Proposed on March 28, 2013 (City Proposal #12)

LAYOFF

As Proposed on May 15, 2013 (City Counterproposal to Union Proposal #3)

CALL BACK AND STANDBY PAY

As Proposed on May 23, 2013 (City Counterproposal to Union Proposal #10)

SICK LEAVE PAYOUT

See Attached (City Proposal #18)

PILOT PROGRAM – SHIFTS FOR SENIOR AIRPORT OPERATIONS SPECIALISTS

See Attached (Side Letter)

TENTATIVE AGREEMENTS

- Protective Footwear - Tentative Agreement Reached on January 25, 2013
- Uniform Allowance - Tentative Agreement Reached on January 25, 2013
- Holidays - Tentative Agreement Reached on April 17, 2013
- Voluntary Dues Deductions - Tentative Agreement Reached on May 15, 2013
- Grievance Procedure - Tentative Agreement Reached on May 15, 2013
- Health and Dental In Lieu - Tentative Agreement Reached on May 15, 2013
- Uniform Allowance – Dispatcher Trainees - Tentative Agreement Reached on May 15, 2013
- Citywide Labor Management Committee - Tentative Agreement Reached on May 15, 2013
- Holiday In Lieu – Public Safety Dispatcher Class Series - Tentative Agreement Reached on May 15, 2013
- Training Pay - Tentative Agreement Reached on May 23, 2013
- Safety - Tentative Agreement Reached on May 23, 2013

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SIDE LETTER AGREEMENTS

Public Transit - Side Letter Agreement Reached on May 23, 2013

REOPENERS

- Notwithstanding any other provision of this Agreement, the parties agree to continue to meet and confer over retiree healthcare benefits and funding upon request of either party. This may include but is not limited to alternatives to reduce the cost of retiree healthcare benefits and options for current employees that comply with IRS regulations. The City and MEF shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.
- Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over retirement benefits upon request of either party in the event that the pension modification ballot measure, also known as Measure B, in part or in whole, is declared invalid or otherwise modified or changed by any court of competent jurisdiction or any other administrative process, or by any applicable State or Federal law or regulation.

Negotiations between the City and MEF shall commence within 14 days upon notice from either party that any action referenced in the previous paragraph has occurred. The City and MEF shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.

- Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over active healthcare benefits upon request of either party.

Negotiations between the City and MEF shall commence within 14 days upon notice from either party that any action referenced in the previous paragraph has occurred. The City and MEF shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.

** This proposal is submitted in an attempt to reach a settlement. In the event the proposal is not accepted, the City reserves the right to modify, amend and/or add proposals.*

CITY PROPOSAL #4 – HIGHER CLASS PAY

City Proposed Language:

12.7 Working in a Higher Classification. Upon specific assignment by the Department Director, or designee, with prior written approval, a full-time or part-time employee may be required to perform the duties of a full-time or benefited part-time position in a higher classification. Such assignments may be made to existing authorized positions which are not actively occupied due to the temporary absence of the regularly appointed employee or a vacant position. Assignments to a higher classification due to a vacancy shall not exceed six (6) months.

12.7.1 By mutual written agreement between the City and the Union, an employee assigned to work in a higher classification may be extended in his/her specific assignment past the aforementioned six (6) month limitation.

12.7.24 Employees specifically assigned to duties of a higher classification shall be compensated at the rate in the salary range of the higher class which is at least one salary rate (step) five percent (5%) higher in the salary range schedule than the rate received by the employee in the employee's present class. Notwithstanding any other provision of this section, in no event shall an employee receive any amount in excess of the top of the salary range of the higher classification. The employee shall not receive any compensation, however, unless the assignment is for a minimum of twenty-four (24) cumulative work hours within one pay period and a minimum of four (4) consecutive work hours within each work day. In the event the assignment is for a minimum of twenty-four (24) cumulative work hours within one (1) pay period and a minimum of four (4) consecutive work hours within one (1) work day, the employee shall be compensated at the appropriate rate for all the eligible hours worked in the higher class within the pay period.

CITY PROPOSAL #18 – SICK LEAVE PAYOUT

City Proposed Language:

10.3.6 Any employee hired on or after January 1, 2012, shall not be eligible for sick leave payout.

10.3.7 Upon a release of claims being signed by the retiree, retroactive payments shall be made to eligible employees in the Federated City Retirement System, who retired on or after January 1, 2012, and before the date that this proposal is ratified and approved by the City Council, who were eligible for a sick leave payout at the time of their retirement under the requirements contained herein and did not receive the payout because the payouts were eliminated prior to their retirement. Retirees will be eligible for a payout of the amount of unused sick leave hours accrued as of December 31, 2011, or the date of their retirement, whichever is less. Payouts will be based on the provisions contained in Sections 10.3.9 and 10.3.10 below. This will resolve any claims related to sick leave payout upon retirement.

10.3.7.1 Unfair Practice Charge No. SF-CE-945-M: The parties agree that the foregoing resolves the issues underlying unfair practice charge no. SF-CE-945-M filed by the Union with the Public Employment Relations Board on or about March 15, 2012; therefore, the Union agrees to withdraw the charge no later than fifteen (15) calendar days after the execution of this agreement.

10.3.7.2 Case No. 1-12-CV-224197 and Case No. 1-12-CV-237150: The parties also agree that the foregoing resolves the issues underlying Case No. 1-12-CV-224197 and Case No. 1-12-CV-237150 filed by the Union with the Santa Clara County Superior Court of the State of California; therefore, the Union agrees to withdraw with prejudice Case No. 1-12-CV-224197 and Case No. 1-12-CV-237150 no later than fifteen (15) calendar days after the execution of this agreement.

10.3.8 For employees hired on or before December 31, 2011, a sick leave payout shall be made to full-time and part-time benefitted employees who are members of the Federated City Retirement System at the time of retirement or death under one of the following scenarios:

10.3.8.1 Federated Retirement Plan. The employee is: a) a member of the Federated Retirement Plan, and; b) retired under the provisions cited in the plan, and; c) credited with at least 15 years of service in this retirement plan, or; d) credited with at least 10 years of service prior to a disability retirement.

10.3.8.2 Separated Employee with Vesting Rights. The employee has: a) separated from service with the City and has not been terminated for cause as defined by San Jose Municipal Code Section 3.04.1370 and; b) retained vesting rights in a retirement system according to provisions in the SJMC, and; c) following such separation, qualifies for retirement and retires under the provisions cited in the code, and; d) has at the time of

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retirement credit for at least 15 years of service in the applicable retirement plan.

10.3.8.3 Death During Service. The estate of any full-time employee who dies while in City service and prior to retirement, even though the employee is not credited with at least 15 years of service in any applicable retirement plan.

10.3.8.4 Death of Separated Employee. The estate of any full-time employee who: a) has separated from service with the City and has not been terminated for cause as defined by San Jose Municipal Code Section 3.04.1370 but had retained vesting rights in a retirement system according to provisions in the SJMC, and; b) dies prior to becoming eligible for retirement allowances as cited under provisions of the SJMC, and; c) has at the time of death credit for at least 15 years of service in the applicable retirement plan.

10.3.9 Effective December 31, 2011, for purposes of calculating a sick leave payout, employees' sick leave balances and hourly rates shall be frozen. This means that an employee will receive no more for a sick leave payout, after having met the requirements set forth above, than he or she would have been entitled to on December 31, 2011. Any sick leave usage after December 31, 2011, will come from the sick leave balance accrued after December 31, 2011. An employee will continue to accrue sick leave after December 31, 2011, but it may not be used for sick leave payout purposes.

For example, if an employee's hourly rate is \$20 and his or her sick leave balance is 250 hours on December 31, 2011, then if he or she meets the eligibility requirements contained herein, the payout of a sick leave balance at the time of retirement will be based on the formula below, and shall be based on no more than 250 hours and an hourly rate of no more than \$20. This will occur even if the employee has subsequently earned more than 250 hours in sick leave or received a pay increase to an hourly rate higher than \$20. In this example, if the employee does not have available sick leave to use that was accrued after December 31, 2011, and uses sick leave and reduces their sick leave balance on December 31, 2011, to 50 hours, they will only be entitled to a sick leave payout of 50 hours, regardless of any sick leave accrued after December 31, 2011.

10.3.10 Payout shall be determined as follows.

10.3.10.1 Payout shall be determined as follows: If a full-time or eligible part-time employee at the time of retirement or death has earned unused sick leave hours, the employee or Estate shall be paid the equivalent of a specified percent of their hourly rate of pay as of December 31, 2011, multiplied by the total number of accumulated and unused hours of sick leave as of the date of retirement or death as follows:

<u>10.3.10.2 Less than 400 hours -</u>	<u>Hours accumulated x 50% of final hourly rate;</u>
<u>or 400 - 799 hours -</u>	<u>Hours accumulated x 60% of final hourly rate;</u>
<u>or 800 - 1200 hours -</u>	<u>Hours accumulated x 75% of final hourly rate.</u>

10.3.11 Use of previously accumulated sick leave hours. For purposes of determining the total number of accumulated and unused hours of sick leave of a full-time employee at the time of retirement or death, unused sick leave from prior periods of employment with the City shall be used. However, previously accumulated sick leave shall be credited to the employee for use during an employee's current employment period.

SIDE LETTER AGREEMENT

BETWEEN

THE CITY OF SAN JOSE

AND

THE MUNICIPAL EMPLOYEES' FEDERATION/AFSCME, LOCAL 101 (MEF)

Shifts for Sr. Airport Operations Specialists in the Airport Department PILOT PROGRAM

The City and the Union acknowledge that the MEF Memorandum of Agreement has the following language regarding unpaid lunches:

7.3 The normal work schedule shall be forty (40)-hours consisting of five (5) consecutive days of eight (8) hours each, exclusive of a lunch period of at least thirty (30) minutes, Monday through Friday. Insofar as is possible, lunch periods shall be scheduled in the middle of the shift. The length of any lunch period is subject to supervisory approval.

Full-time employees in the Senior Airport Operations Specialist classification (3514) in the Airport Department currently work either an eight and a half (8.5) hour shift with a half (0.5) hour unpaid lunch period five (5) days a week, or a ten and a half (10.5) hour shift with a half (0.5) hour unpaid lunch period four (4) days a week.

In recognition of the following circumstances, effective the beginning of the pay period closest in time after this agreement has been signed and executed, full-time employees in the Senior Airport Operations Specialist classification (3514) will work either a straight eight (8) hour shift without an unpaid lunch five (5) days a week or a straight ten (10) hour shift without an unpaid lunch four (4) days a week as a Pilot Program that shall expire on June 21, 2014. The Pilot Program is in recognition of the following:

- For eight (8) / ten (10) straight hours a day, full-time employees in the Senior Airport Operations Specialist classification (3514) will be required to perform activities that are work related and during this period of time, they may not be relieved of active work time. If an employee needs to be relieved of active work time for any period of time during their work shift, they must request to use their own leave and such requests are subject to supervisory approval prior to the use of such leave.

- This Pilot Program shall become effective when signed by all parties below and shall expire **June 21, 2014**. Either party may at any time terminate the Pilot Program prior to June 21, 2014, upon written notice being provided to the other party.

FOR THE UNIONS:

Charles Allen Date
Business Agent
AFSCME, Local 101